

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force NAF Employee Benefits Programs

**Year of the Air Force
Family**



**Gloria Mick
AFSVA/SVXHI
15-16 June 2010**



- **Air Force NAF Retirement Plan**
- **Air Force NAF 401(k) Savings Plan**
- **Air Force NAF Group Life Insurance Plan**
- **DoD Uniform NAF Health Benefits Program**
- **Air Force NAF Workers' Compensation Program**





Air Force NAF Retirement Plan

- **Affected Army NAF employees can choose to:**
 - **Remain in the Army NAF Retirement System**
 - **Transfer to the Air Force NAF Retirement System**
 - **Election must be made within 30 days of the transfer date or employee will be permanently transferred to AF NAF Retirement System**
 - **Recommend early decision to allow for smooth transition**
 - **Retirement & 401(k) must stay together**
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Air Force NAF Retirement Plan

- **Opt to remain in the Army Retirement and Savings Plan**
 - **All future service will be creditable under your original NAF Retirement Plan**



Air Force NAF Retirement Plan

- **Opt NOT TO REMAIN in the Army Retirement Plan - you will be enrolled in the AF Retirement Plan and current DoD NAF to NAF portability rules apply**
 - **If not vested (less than 5 yrs participation)**
 - **Your service time will count toward vesting & eligibility**
 - **Your annuity at retirement will be offset by the value of the unvested service**
 - **If vested**
 - **All service time will count for eligibility**
 - **At retirement, your annuity will be calculated based on the current service formula**
 - **You will receive two retirement checks each month, totaling the full annuity amount**



Air Force NAF Retirement Plan

- **Employee contribution is 1% of basic pay**
- **Employer contribution is 5.15% of basic pay**
- **Participation is terminated:**
 - **Separation from employment**
 - **Change to ineligible category**



Air Force NAF Retirement Plan

- **AF NAF Retirement Plan Formula:**
 - **Based on Hi-3 average annual salary (36 consecutive months)**
 - **Years and months of participation in the Plan**
 - **Accumulated sick leave balance is added to qualified benefits**
 - **Calculation:**
 - **1.5% X Hi-3 X Service up to first 5 years**
 - **1.75% X Hi-3 X Service for 2nd 5 years**
 - **2.0% X Hi-3 X Service for all 10+ years**
 - ***Supplemental Early Retirement is paid until age 62***



Air Force NAF Retirement Plan

■ Voluntary Retirement (Unreduced)

- Age 62 with 5 or more years participation
- Age 55 with 30 years participation
- Age 60 with 20 years participation

■ Early Retirement (Reduced)

- Minimum age 52 with at least 5 years participation
- Reduction is 4% per year < age 62
 - Age 52: 4% x 10 years = 40% reduction

■ Deferred Retirement

- Separation prior to age 52 with at least 5 years participation (Reduced)
- As early as age 52 or at any point between ages 52 and 62
- Reduction is 4% per year < age 62



Air Force NAF 401(k) Savings Plan

- **Voluntary enrollment open to all regular NAF employees and those with portability election**
 - **Minimum contribution = 1%**
 - **Maximum contribution = \$16,500 for 2010 (IRS Rule)**
 - **If over age 50, employee may contribute additional \$5,500 in 2010**
 - **Remember - Retirement and 401(k) Must Stay Together**
 - **Army Retirement/401(k) or Air Force Retirement/401(k)**
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Air Force NAF 401(k) Savings Plan

401K Major Differences				
	Army		Air Force	
Vesting				
	3 Years		3 Years	
Matching	Employee Contribution	Employer Contribution	Employee Contribution	Employer Contribution
	1%	1%	1%	1%
	2%	2%	2%	2%
	3%	2.5%	3%	2.5%
	4%	3%	4%	3%
Loan Program				
	Yes		Yes	
Hardship Withdrawals				
			4 per 12 month period	



Air Force NAF Group Life Insurance

- **Air Force Carrier = Minnesota Life**
- **Army Group Life Insurance ends 30 Sep 10**
- **AF Group Life Insurance begins 1 Oct 10**
 - **Regular employees are eligible to participate**
- **Must Enroll Within 31 Days of Transfer**
 - **Coverage Effective Date = 1 Oct 10**
 - **Deductions = Start of first full pay period after election**
 - **After 31-day eligibility window - Evidence of Insurability**



Air Force NAF Group Life Insurance

- **Basic Coverage - Employee (EE) Only**
 - **Life + Accidental Death & Dismemberment (AD&D)**
 - **Based on EE's annual salary (AS)**
 - **\$27K to \$28K = $1.5 \times AS = \$42K$ coverage**
 - Payroll deduction = \$7.98 bi-weekly
 - **Over \$28K-\$29K = $1 \times AS + \$2K = \$43,500$ coverage**
 - Payroll deduction = \$8.27 bi-weekly
 - **EE pays 54% of cost and ER pays 46%**



Air Force NAF Group Life Insurance

■ FAMILY MEMBER LIFE (FML)

■ Family Member = Life Only

- EE must be in Basic Plan**
- EE pays 100% of Premium**

■ FML Options - Based on \$27K - \$28K Salary

- Low Option = \$5,000 spouse/\$2,500 each child**
 - Premium = \$0.79 plus basic premium amount**
 - Eg: Basic \$7.98 + \$.79 = \$8.77 bi-weekly**
- High Option = \$10,000 spouse/\$5,000 each child**
 - Premium = \$1.59 plus basic premium amount**
 - Eg: Basic \$7.98 + \$1.59 = \$9.57 bi-weekly**



Air Force NAF Group Life Insurance

- **Supplemental Life Insurance Option**
 - **AF currently working with Carrier**
 - **Plan Options**
 - **Costs to Employee**
 - **Levels of Coverage**
 - **Development/Implementation Schedule**



DoD Uniform NAF Health Benefits Program

- **No Change - Still DoD HBP**
 - **Any paid deductibles transfer**
 - **AF now on-line enrollments with Aetna**
 - **New ID cards issued to Army to AF transfers**
 - **RX transfers may lag 24 hrs - AF monitoring**
 - **Any “drops” will be auto-updated using the on-line enrollment process**

Note: Check LES after transfer for deduction accuracy. Not sure - ask



Workers' Compensation Program

- **The Workers' Compensation Branch is located in the AF Services Agency, Headquartered in San Antonio, TX**
- **AF NAF Workers' Compensation Benefits are mandated by the Longshore and Harbor Workers' Compensation Act**
 - Website: www.dol.gov
- **The HRO provides all documentation related to on-the-job injuries to the Workers' Compensation Branch**
- **Current open Army claims will be coordinated with AFSVA Workers' Compensation Branch (SVXHW)**